

Company registration number: 07125607

Charity registration number: 1146488

# Hillbrook Grange Residential Care Home

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2021

## **Hillbrook Grange Residential Care Home**

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## Hillbrook Grange Residential Care Home

### Reference and Administrative Details

<b>Trustees</b>	Mr Robert Bruce Bissell (Appointed 30th April 2021) Mrs Patricia Leck Miss June Westbrook Mr John McGahan (Appointed 22nd September 2020) Mrs Susan Preece (Appointed 2nd February 2021) Dr Lesley Taylor (Appointed 16th February 2021) Mr Gavin Ferguson (Resigned 16th October 2020) Mr Mark Tattersall (Resigned 22nd December 2020) Ms Julia Shaw (Resigned 9th April 2021) Dr Harry Hill (Resigned 29th March 2021)
<b>Secretary</b>	Ms Julia Shaw (Resigned 25th February 2021)
<b>Senior Management Team</b>	Ms Kate Nicholson, Business Manager Mrs Sandra Seymour (Resigned 10th February 2021), Registered Manager
<b>Principal Office</b>	Hillbrook Grange Residential Care Home Ack Lane East Bramhall Stockport SK7 2BY  The charity is incorporated in England and Wales
<b>Company Registration Number</b>	07125607
<b>Charity Registration Number</b>	1146488
<b>Auditor</b>	Hallidays Group Limited Statutory Auditor Riverside House Kings Reach Business Park Yew Street Stockport SK4 2HD

## **Hillbrook Grange Residential Care Home**

### **Trustees' Report (Including Strategic Report)**

The trustees, who are also the directors, present their report and the financial statements of the charity for the year ended 31<sup>st</sup> March 2021.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

Reference and administrative details are shown in the schedule of members of the board and their professional advisers on page 1 of the financial statements

#### **THE TRUSTEES**

Mr Robert Bruce Bissell (Chairman) (appointed 30<sup>th</sup> April 2021)

Mr Gavin Ferguson (Vice Chairman 1<sup>st</sup> April – 15<sup>th</sup> September) (resigned 16<sup>th</sup> October 2020)

Dr Harry F Hill (Chairman 1<sup>st</sup> April – 15<sup>th</sup> September, 4<sup>th</sup> January – 29<sup>th</sup> March) (resigned 29<sup>th</sup> March 2021)

Mrs Patricia A Leck

Ms Julia M Shaw (Company Secretary) (resigned 9<sup>th</sup> April 2021)

Mr Mark A Tattersall (Treasurer 1<sup>st</sup> April – 15<sup>th</sup> September, Chair 15<sup>th</sup> September – 22<sup>nd</sup> December) (resigned 22<sup>nd</sup> December 2020)

Miss June W Westbrook

Mr John McGahan (appointed 22<sup>nd</sup> September 2020)

Mrs Susan Preece (appointed 2<sup>nd</sup> February 2021)

Dr Lesley Taylor (appointed 16<sup>th</sup> February 2021)

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity is governed by its Memorandum and Articles of Association dated 14<sup>th</sup> October 2011. The charity is run by its Board, which consists of four Principal Officers and no more than 14 other members, with power to co-opt as necessary no more than two extra members and to fill vacancies at any time prior to election at the next Annual General Meeting.

The period of membership of those filling such vacancies shall be the outstanding period of the member replaced. The four Principal Officers are Chairman, Vice Chairman, Secretary, and Treasurer.

##### **Recruitment and appointment of trustees**

The Board shall be elected for three years, and one-third of the Board shall retire each year in rotation. Retiring members shall be eligible for re-election by the remaining Board members at the AGM each year. Following election at the AGM, the full Board shall appoint from their number the four Principal Officers who shall hold office for one year but, on retirement, shall be eligible for re-election for a maximum of four years. The Board may also appoint such other officers as they deem appropriate.

##### **Induction and training**

The charity does not possess a formal policy for the training and induction of trustees.



## **Hillbrook Grange Residential Care Home**

### **Trustees' Report (Including Strategic Report)**

#### **Organisational structure**

The Board is responsible for the overall running of Hillbrook Grange Residential Care Home. The Board is required to meet at least six times per annum, including the Annual General Meeting.

Day to day operational control is vested with the Home's Registered Manager who is supervised by the Chairman and the Vice Chairman.

#### **OBJECTIVES AND ACTIVITIES**

The Constitution defines the objects of the Charity as:

- a) to promote and assist the general good of elderly people principally, but not exclusively, in the district of Bramhall and Woodford who are in need, by providing specially designed or adapted accommodation or housing, and services or facilities calculated to meet the needs of such persons;
- b) to assist statutory authorities and other voluntary organisations engaged in providing facilities for physical improvement and furthering health; or in pursuing any objects which now are or subsequently may be deemed by law to be charitable;
- c) to provide and manage the residential care home known as "Hillbrook Grange" in Ack Lane, Bramhall or together with any other facilities for the elderly as may be deemed by the directors to be necessary to attain the objects of the charity;
- d) to promote and advance all such purposes as are recognised from time to time by the laws of England and Wales to be charitable. The Board considers that the objects are met by the principal activity, which is the provision of residential accommodation for the elderly.

#### **PUBLIC BENEFIT**

In planning our activities for the year, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The Trust relies on the income from fees and charges to cover its operating costs. In setting the level of fees, the trustees give due consideration to the need to ensure that the residential accommodation of Hillbrook Grange is accessible to elderly people principally though not exclusively in the district of Bramhall and Woodford.

#### **ACHIEVEMENTS AND PERFORMANCE**

This past year has proven to be a very challenging and worrying time for Hillbrook Grange. Not only did Covid-19 present the organisation with a great challenge, but it also put the Trustees in a difficult situation as lockdown required some to isolate which resulted in their visits being reduced significantly. Hillbrook Grange lost 7 residents last year between April 20 and May 20 due to Covid-19. We lost another 3 residents in August, September, and December 2020, due to natural causes rather than Covid-19. Significant measures were taken to combat the spread of the virus by introducing new procedures and equipment within the home and strict controls for staff and visitors entering the home. Since the first outbreak of Covid-19 infection at Hillbrook there has been no further incidences although vigilance is still necessary given the high disease pressure in the community.

## **Hillbrook Grange Residential Care Home**

### **Trustees' Report (Including Strategic Report)**

At the AGM on 15th September Mr. M Tattershill was appointed Chairman as Dr. Hill stepped down having served the maximum permitted 4 years. Dr Hill was appointed Vice Chairman. On October 16th, 2020, the general manager and trustee director, Mr G. Ferguson, tendered his resignation to the chairman and the board.

The CQC made the first of three visits on December 9th, 2020, continuing with their inspection on the 12th December. From their findings, they issued a 48-hour notice to produce an action plan that would be implemented immediately due to the serious safety and concerns over medication. The CQC then returned on the 12th January 2021, for a further inspection and to ascertain if the service had taken adequate action to ensure the safety of our residents in regards to the issue of medication.. The CQC were not satisfied that sufficient remedial action had been taken and, as a consequence, placed the home into special measures and issued a Notice of Decision to withdraw registration.

In December 2020 the registered manager was suspended from duty pending investigation and subsequently resigned on February 10th, 2021. The CQC also served the registered manager with a notice to withdraw her registration as a registered manager, and this was successful.

On December 22<sup>nd</sup> the resignation of the Chairman of the board Mr. Tattershill was received therefore the vice chair Dr. Hill was re-appointed as chairman.

To strengthen the board we gained new board members during January 2021 and February 2021. And this proved invaluable due to their vocation and experience.

In February 2021, an interim registered manager was recruited to ensure implementation of the recovery action plan but she quickly was found to be unsatisfactory and her contract was terminated after 6 weeks. The board made the decision to appoint a firm of turn-round consultants who were experts in the dealing with the situation which we faced.

McCarthy & Stone appealed the council's decision to reject their planning application to build 40 retirement living apartments of land they had offered to buy from Hillbrook Grange. An appeal hearing was held on 17th March and subsequently a judgement was given in McCarthy & Stone's favour. Negotiations have been resumed to finalise the sale of the land with a completion date target of end June 21.

On March 29th Dr. Hill resigned as Chairman for the reason of ill-health leaving the post of Chair unoccupied as none of the remaining trustees wished to take the position.

I feel it important that I comment on the 5 months since the end of the reporting period as there has been significant progress.

Care consultants from BKRCC took over temporary management of the home from the start of April, with the objective of turning the home around and remove threat of closure. It was an expensive but necessary action. Staffing levels were increased using agency staff also at considerable expense.

I was approached by the trustees who asked that I return to the board having resigned some 3 years before. I attended a board meeting on 30th April and was appointed chair with immediate effect. A new registered manager has since been appointed and two further members have joined the board all with significant care home management experience at the senior level. Importantly the new board members have significant governance and audit experience. New staff have been recruited.

The CQC carried out an announced inspection from 5th to 7th July the result of which was a lifting of the special measures rating and the Notice of Decision to withdraw registration. The home was rated Requires Improvement largely because the new team had been in position only 6 weeks. The rating is being challenged on the grounds that, based on the CQC narrative in the report, the rating should be Good. The support of BKRCC will cease at the end of September.

The sale of the land to McCarthy & Stone was completed at the end of June which places Hillbrook in a strong financial position. However, Residents' fees remain the principal ongoing source of funds for the charity. With the new team in place I am confident that Hillbrook will resume its place in the community and expand its service using the funds received from the sale of land.



## **Hillbrook Grange Residential Care Home**

### **Trustees' Report (Including Strategic Report)**

#### **INVESTMENT REVIEW**

During the year under review the portfolio produced a yield of 2.92% (2020: 4.30%).

Some 20 per cent of the portfolio comprises low risk investment in fixed interest bonds. The balance comprises medium risk investment in ethical concerns based predominantly in UK, Europe and North America; with more limited exposure to companies in the Far East, the emerging economies, property and AIM.

#### **FINANCIAL REVIEW**

As detailed in the report above 2020/21 has been a challenging year, income levels have been supported by government grants £1,267,603 (2020: £1,244,134) however, the government support has not been sufficient to cover increased costs leading to an operational deficit before investment movements of £88,552 (2020: surplus £25,294). As mentioned below, the sale of land in 2021/22 will provide much needed support during the ongoing pandemic to ensure that the Home remains a going concern.

##### **Reserves policy**

Following the sale of the land the Board consider that the present level of funding remains adequate to support the continuation of the Charity's activities now in operation for the medium term, and its financial position remains satisfactory.

As lockdown restrictions eased and new residents were admitted, the Home has since returned to occupancy levels of 90%.

In spite of the financial volatility caused by the Covid-19 pandemic, the Board are of the opinion that a reasonable level of free reserves would be a sum sufficient to fund six months' expenses estimated to be in the order of £500,000. The Trustees are satisfied that the Home is a going concern.

##### **Investment policy**

The charity will not knowingly invest in securities that do not accord with its principles. If investments that are considered inappropriate are received as legacies, they are sold as soon as practicable and the proceeds are re-invested.

#### **PLANS FOR FUTURE PERIODS**

##### **Land sale**

During 2016/17, a small parcel of land was designated for sale. An agent was appointed to manage the sales process and advise the Board in accordance with Charities law. Two formal bids were received and, following interview of the bidding parties, Messrs. McCarthy & Stone were declared the preferred bidder.

If their proposed development is successful at Planning, the funds will be released on completion. The proceeds of sale amounting to £3.5 million should cover the cost of demolishing the "Old House" – a Victorian property which is not fit for purpose – and the construction in its place of a dedicated, self-contained, 20bed dementia unit; as well as allowing for the transfer of a significant sum to augment the Charity's reserves. The sale of the land to McCarthy & Stone was completed at the end of June which places Hillbrook in a strong financial position.

**Hillbrook Grange Residential Care Home**  
**Trustees' Report (Including Strategic Report)**

**RISK STATEMENT**

The major risks to which the charity is exposed have been identified and reviewed by the trustees; and systems and procedures have been established to manage those risks.

**AUDITOR**

Hallidays have been re-appointed as auditor for the ensuing year.

**Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

**Small company provisions**

The report has been prepared in accordance with the small companies' regime under the Companies Act 2006.

Approved by the Board on 30<sup>th</sup> September 2021 and signed on its behalf by:



Mr Robert Bruce Bissell  
Chair of Trustees

## Hillbrook Grange Residential Care Home

### Statement of Trustees' Responsibilities

The trustees (who are also the directors of Hillbrook Grange Residential Care Home for the purposes of company law) are responsible for preparing the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 30 September 2021 and signed on its behalf by:



Mr Robert Bruce Bissell (Appointed 30th April 2021)  
Trustee



Mrs Patricia Leck  
Trustee



## **Hillbrook Grange Residential Care Home**

### **Independent Auditor's Report to the Members of Hillbrook Grange Residential Care Home**

#### **Opinion**

We have audited the financial statements of Hillbrook Grange Residential Care Home (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **Hillbrook Grange Residential Care Home**

### **Independent Auditor's Report to the Members of Hillbrook Grange Residential Care Home**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the .

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 7), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



## **Hillbrook Grange Residential Care Home**

### **Independent Auditor's Report to the Members of Hillbrook Grange Residential Care Home**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the residential care home sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, the Care Quality Commission (CQC) regulations, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions

## Hillbrook Grange Residential Care Home

### Independent Auditor's Report to the Members of Hillbrook Grange Residential Care Home

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Care Quality Commission, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Anna Bennett (Senior Statutory Auditor)

For and on behalf of Hallidays Group Limited, Statutory Auditor

Riverside House  
Kings Reach Business Park  
Yew Street  
Stockport  
SK4 2HD

5 October 2021

## Hillbrook Grange Residential Care Home

### Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	3,414	85,717	89,131
Charitable activities	4	1,161,343	-	1,161,343
Investment income	5	16,629	-	16,629
Other income	6	500	-	500
Total Income		<u>1,181,886</u>	<u>85,717</u>	<u>1,267,603</u>
<b>Expenditure on:</b>				
Raising funds	7	(4,803)	-	(4,803)
Charitable activities	8	<u>(1,281,789)</u>	<u>(69,563)</u>	<u>(1,351,352)</u>
Total Expenditure		<u>(1,286,592)</u>	<u>(69,563)</u>	<u>(1,356,155)</u>
Gains/losses on investment assets		<u>77,291</u>	<u>-</u>	<u>77,291</u>
Net (expenditure)/income		<u>(27,415)</u>	<u>16,154</u>	<u>(11,261)</u>
Net movement in funds		(27,415)	16,154	(11,261)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>3,875,383</u>	<u>-</u>	<u>3,875,383</u>
Total funds carried forward	21	<u>3,847,968</u>	<u>16,154</u>	<u>3,864,122</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 21.

The notes on pages 16 to 30 form an integral part of these financial statements.

## Hillbrook Grange Residential Care Home

### Statement of Financial Activities for the Year Ended 31 March 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Total 2020 £
<b>Income and Endowments from:</b>			
Donations and legacies	3	120	120
Charitable activities	4	1,223,903	1,223,903
Investment income	5	18,511	18,511
Other income	6	1,600	1,600
Total Income		<u>1,244,134</u>	<u>1,244,134</u>
<b>Expenditure on:</b>			
Raising funds	7	(4,563)	(4,563)
Charitable activities	8	(1,214,277)	(1,214,277)
Total Expenditure		<u>(1,218,840)</u>	<u>(1,218,840)</u>
Gains/losses on investment assets		<u>(57,704)</u>	<u>(57,704)</u>
Net expenditure		<u>(32,410)</u>	<u>(32,410)</u>
Net movement in funds		(32,410)	(32,410)
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>3,907,793</u>	<u>3,907,793</u>
Total funds carried forward	21	<u>3,875,383</u>	<u>3,875,383</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 21.

The notes on pages 16 to 30 form an integral part of these financial statements.

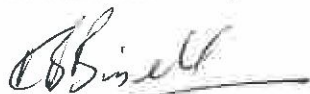


# Hillbrook Grange Residential Care Home

(Registration number: 07125607)  
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	15	3,384,803	3,394,663
Investments	16	577,150	484,413
		<u>3,961,953</u>	<u>3,879,076</u>
<b>Current assets</b>			
Stocks	17	150	150
Debtors	18	19,141	8,378
Cash at bank and in hand		22,348	24,677
		<u>41,639</u>	<u>33,205</u>
<b>Creditors: Amounts falling due within one year</b>	19	<u>(139,470)</u>	<u>(36,898)</u>
<b>Net current liabilities</b>		<u>(97,831)</u>	<u>(3,693)</u>
<b>Net assets</b>		<u>3,864,122</u>	<u>3,875,383</u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		16,154	-
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>3,847,968</u>	<u>3,875,383</u>
<b>Total funds</b>	21	<u>3,864,122</u>	<u>3,875,383</u>

The financial statements on pages 12 to 30 were approved by the trustees, and authorised for issue on ..... and signed on their behalf by:



Mr Robert Bruce Bissell (Appointed 30th April 2021)  
Trustee



Mrs Patricia Leck  
Trustee

The notes on pages 16 to 30 form an integral part of these financial statements.

## Hillbrook Grange Residential Care Home

### Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash expenditure		(11,261)	(32,410)
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	10	83,397	77,862
(Gains)/losses on investment assets		(78,815)	57,705
Investment income	5	(16,629)	(18,511)
		(23,308)	84,646
<b>Working capital adjustments</b>			
Increase in debtors	18	(10,763)	(1,351)
Increase/(decrease) in creditors	19	102,572	(9,061)
Net cash flows from operating activities		68,501	74,234
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	15	(73,537)	(32,076)
Purchase of investments	16	(121,126)	(147,621)
Sale of investments	16	107,204	76,713
Investment income	5	16,629	18,511
Net cash flows from investing activities		(70,830)	(84,473)
Net decrease in cash and cash equivalents		(2,329)	(10,239)
Cash and cash equivalents at 1 April		24,677	34,916
Cash and cash equivalents at 31 March		22,348	24,677

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 16 to 30 form an integral part of these financial statements.

## **Hillbrook Grange Residential Care Home**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **1 Charity status**

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:  
Hillbrook Grange Residential Care Home  
Ack Lane East  
Bramhall  
Stockport  
SK7 2BY

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

##### **Basis of preparation**

Hillbrook Grange Residential Care Home meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.



## Hillbrook Grange Residential Care Home

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

The Board consider that the present level of funding remains adequate to support the continuation of the Charity's activities now in operation for the medium term, and its financial position remains satisfactory.

The beginning of the financial year saw the Home enter lockdown as a result of the Covid-19 pandemic. Over the course of the next few months, the Home lost some seven residents to the disease. As lockdown restrictions eased and new residents were admitted, the Home has since returned to occupancy levels of 90%.

In spite of the financial volatility caused by the Covid-19 pandemic, the Board are of the opinion that a reasonable level of free reserves would be a sum sufficient to fund six months' expenses estimated to be in the order of £500,000. The Trustees are satisfied that the Home is a going concern.

#### **Income and endowments**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

#### ***Donations and legacies***

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

#### ***Grants receivable***

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### ***Investment income***

Investment income is accounted for in the period in which the charity is entitled to receipt.

## **Hillbrook Grange Residential Care Home**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### **Raising funds**

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

#### **Charitable activities**

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### **Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets costing £100.00 or more are initially recorded at cost.



## Hillbrook Grange Residential Care Home

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Property - Structure	1 - 3 % straight line
Property - Fixed Equipment	5 - 10% straight line
Moveable Fixtures, fitting and equipment	10 - 33% reducing balance

#### Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

#### Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## Hillbrook Grange Residential Care Home

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

#### Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### 3 Income from donations, legacies and grants

	Unrestricted			
	General	Restricted	Total	Total
	£	£	2021	2020
			£	£
Donations and legacies;				
Donations	3,414	-	3,414	120
Grants, including capital grants;				
Government grants	-	85,717	85,717	-
	<u>3,414</u>	<u>85,717</u>	<u>89,131</u>	<u>120</u>

Government grants are those arising from the COVID pandemic

#### 4 Income from charitable activities

	Unrestricted		
	funds	Total	Total
	General	2021	2020
	£	£	£
Residential care	<u>1,161,343</u>	<u>1,161,343</u>	<u>1,223,903</u>

#### 5 Investment income

	Unrestricted		
	funds	Total	Total
	General	2021	2020
	£	£	£
Other income from fixed asset investments	<u>16,629</u>	<u>16,629</u>	<u>18,511</u>

## Hillbrook Grange Residential Care Home

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 6 Other income

	Unrestricted General £	Total 2021 £	Total 2020 £
Other income	500	500	1,600

#### 7 Expenditure on raising funds

##### a) Investment management costs

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Note			
Other investment management costs;			
Other portfolio management costs	4,803	4,803	4,563
	4,803	4,803	4,563

## Hillbrook Grange Residential Care Home

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 8 Expenditure on charitable activities

		Unrestricted		Total	Total
	Note	General	Restricted	2021	2020
		£	£	£	£
Direct Costs (excluding staff costs)		328,188	19,593	347,781	319,873
Staff costs		848,862	49,970	898,832	786,260
Allocated support costs (excluding staff costs)	9	78,849	-	78,849	89,384
Governance costs (including staff costs)	9	25,890	-	25,890	18,760
		<u>1,281,789</u>	<u>69,563</u>	<u>1,351,352</u>	<u>1,214,277</u>

		Unrestricted		Total	Total
		General	Restricted	2021	2020
		£	£	£	£
<b>Direct Costs</b>					
Cost of goods sold		83,551	-	83,551	84,400
Employment costs		848,862	49,970	898,832	786,260
Training costs		7,895	-	7,895	1,681
Establishment costs		43,286	12,835	56,121	52,773
Repairs and maintenance		104,546	4,545	109,091	94,764
Advertising and promotion		6,133	-	6,133	6,714
Bank charges		1,593	-	1,593	1,679
Depreciation of tangible fixed assets		81,184	2,213	83,397	77,862
		<u>1,177,050</u>	<u>69,563</u>	<u>1,246,613</u>	<u>1,106,133</u>



## Hillbrook Grange Residential Care Home

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 9 Analysis of governance and support costs

##### Support costs allocated to charitable activities

	Governance costs £	Other support costs £	Total 2021 £	Total 2020 £
Employment costs	4,952	-	4,952	4,120
Establishment costs	-	10,253	10,253	10,480
Office expenses	-	4,581	4,581	4,299
Printing, postage and stationary	-	4,613	4,613	4,416
Subscriptions and donations	-	8,317	8,317	7,579
Cleaning	-	24,725	24,725	18,328
Auditors remuneration	6,997	-	6,997	5,772
Legal and professional costs	13,941	26,360	40,301	53,150
	<u>25,890</u>	<u>78,849</u>	<u>104,739</u>	<u>108,144</u>

#### 10 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2021 £	2020 £
Audit fees	6,997	5,772
Other non-audit services	22,635	18,835
Depreciation of fixed assets	<u>83,397</u>	<u>77,862</u>

#### 11 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

##### Mr Gavin Ferguson (Resigned 16th October 2020)

Mr Gavin Ferguson (Resigned 16th October 2020) received remuneration of £Nil (2020: £25,052) during the year.

In 2020 Gavin Ferguson received the above through Ferguson Associates for consultancy services and not for the work undertaken in his role as a trustee. All trustees are covered by professional indemnity insurance which is paid for by Hillbrook Grange.

No trustees have received any reimbursed expenses from the charity during the year



## Hillbrook Grange Residential Care Home

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 12 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
<b>Staff costs during the year were:</b>		
Wages and salaries	834,076	728,800
Social security costs	52,462	45,544
Pension costs	17,204	16,036
Other staff costs	42	-
	<u>903,784</u>	<u>790,380</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021 No	2020 No
Charitable activities	<u>34</u>	<u>29</u>

During the year, the charity made redundancy and/or termination payments which totalled £Nil (2020 - £1,890).

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £77,977 (2020 - £66,641).

#### 13 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>6,997</u>	<u>5,772</u>
<b>Other fees to auditors</b>		
All other non-audit services	<u>22,635</u>	<u>18,835</u>

## Hillbrook Grange Residential Care Home

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 14 Taxation

The charity is a registered charity and is therefore exempt from taxation.

#### 15 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
<b>Cost</b>			
At 1 April 2020	3,643,368	327,568	3,970,936
Additions	-	73,537	73,537
At 31 March 2021	<u>3,643,368</u>	<u>401,105</u>	<u>4,044,473</u>
<b>Depreciation</b>			
At 1 April 2020	356,525	219,748	576,273
Charge for the year	54,730	28,667	83,397
At 31 March 2021	<u>411,255</u>	<u>248,415</u>	<u>659,670</u>
<b>Net book value</b>			
At 31 March 2021	<u>3,232,113</u>	<u>152,690</u>	<u>3,384,803</u>
At 31 March 2020	<u>3,286,843</u>	<u>107,820</u>	<u>3,394,663</u>

## Hillbrook Grange Residential Care Home

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 16 Fixed asset investments

	2021 £	2020 £
Other investments	<u>577,150</u>	<u>484,413</u>

#### Other investments

	Listed investments £	Total £
<b>Cost or Valuation</b>		
At 1 April 2020	484,413	484,413
Revaluation	78,815	78,815
Additions	121,126	121,126
Disposals	<u>(107,204)</u>	<u>(107,204)</u>
At 31 March 2021	<u>577,150</u>	<u>577,150</u>
<b>Net book value</b>		
At 31 March 2021	<u>577,150</u>	<u>577,150</u>
At 31 March 2020	<u>484,413</u>	<u>484,413</u>

#### 17 Stock

	2021 £	2020 £
Stocks	<u>150</u>	<u>150</u>

#### 18 Debtors

	2021 £	2020 £
Trade debtors	10,532	2,244
Prepayments	8,386	6,134
Other debtors	<u>223</u>	<u>-</u>
	<u>19,141</u>	<u>8,378</u>

## Hillbrook Grange Residential Care Home

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 19 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	20,467	478
Other taxation and social security	17,234	10,379
Other creditors	18,388	3,286
Accruals	83,381	22,755
	<u>139,470</u>	<u>36,898</u>

#### 20 Pension and other schemes

##### Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £17,204 (2020 - £16,036).

# Hillbrook Grange Residential Care Home

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 21 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>					
General	3,875,383	1,181,886	(1,286,592)	77,291	3,847,968
<b>Restricted funds</b>	-	85,717	(69,563)	-	16,154
<b>Total funds</b>	<u>3,875,383</u>	<u>1,267,603</u>	<u>(1,356,155)</u>	<u>77,291</u>	<u>3,864,122</u>

Restricted funds arose from the Stockport Metropolitan Borough Council grants received to support the additional costs arising from the coronavirus pandemic.

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2020 £
<b>Unrestricted funds</b>					
General	3,907,793	1,244,134	(1,218,840)	(57,704)	3,875,383

## Hillbrook Grange Residential Care Home

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 22 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2021 £
Tangible fixed assets	3,368,650	16,154	3,384,804
Fixed asset investments	577,001	-	577,001
Current assets	41,639	-	41,639
Current liabilities	(139,070)	-	(139,070)
Total net assets	<u>3,848,220</u>	<u>16,154</u>	<u>3,864,374</u>
	Unrestricted funds General £		Total funds at 31 March 2020 £
Tangible fixed assets	3,394,663		3,394,663
Fixed asset investments	484,413		484,413
Current assets	33,205		33,205
Current liabilities	(36,898)		(36,898)
Total net assets	<u>3,875,383</u>		<u>3,875,383</u>

#### 23 Analysis of net funds

	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
Cash at bank and in hand	24,677	(2,329)	22,348
Net debt	<u>24,677</u>	<u>(2,329)</u>	<u>22,348</u>
	At 1 April 2019 £	Financing cash flows £	At 31 March 2020 £
Cash at bank and in hand	34,916	(10,239)	24,677
Net debt	<u>34,916</u>	<u>(10,239)</u>	<u>24,677</u>

## **Hillbrook Grange Residential Care Home**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **24 Related party transactions**

During the year the charity made the following related party transactions:

##### **Tamsin Hill**

(Daughter of Harry Hill, Trustee until 29th March 2021)

Remuneration as employee of Hillbrook Grange Residential Care Home. Total employment costs for the year were £9,975 (2020: £10,792). At the balance sheet date the amount due to/from Tamsin Hill was £Nil (2020 - £Nil).

#### **25 Non adjusting events after the financial period**

A section of land owned by Hillbrook Grange Residential Care Home has been sold subject to receipt of planning consent for £3.5 million. A non refundable deposit of £10,000 was received in respect of the land sale in March 2018.

Planning consent was awarded on 1st April 2021 and the land sale completed in June 2021.